



Issue 17, 2019

● [Property Owners Along Atlantic Sunrise Pipeline in Lancaster County Get Another Round of Letters](#)

"The letters issued notice of intent to file liens if MacAllister didn't receive timely payment of about \$1.02 million it asserted was owed by Welded Construction LP, the main contractor on both the Atlantic Sunrise and Sunoco Mariner East pipelines."

Why this is important: MacAllister Machinery Co. is a subcontractor who performed work on the Atlantic Sunrise pipeline, which is nearly 300 miles long and runs through hundreds of different properties in southeastern Pennsylvania. After Welded Construction, the main contractor on the project, allegedly failed to pay MacAllister, MacAllister sent letters to owners of land on which the pipeline sits indicating it intended to file liens against their property if MacAllister wasn't paid. While the right or legal ability of a pipeline subcontractor to lien right-of-way owners is questionable, it cannot be disputed such threats tarnish the industry and provide ammunition for those who generally oppose infrastructure construction. Welded was required to procure a roughly \$450 million bond before the project started to ensure subcontractors like MacAllister were protected. Using landowners as pawns in a payment dispute between companies may be viewed as an aggressive litigation strategy in a narrow sense, but it doesn't promote the greater good for the industry in a general sense. --- [Matthew P. Heiskell](#)

● [EU Needs 25 Percent Nuclear Power to Meet Paris Climate Goals](#)

"The European Union will need to continue having a nuclear energy share of at least one-quarter until 2050 to meet the emissions reduction targets it has set for that year, according to a new report from Deloitte."

Why this is important: After the tsunami-induced Fukushima nuclear reactor malfunction, Germany joined Britain in deciding to eliminate its nuclear power generation. This has driven up coal usage, and with it, greenhouse gas emissions. In order to meet its ambitious climate change goals, and still support its manufacturing operations, Europe will have to decide whether it will continue to rely on nuclear energy for at least a quarter of its electrical power demand. --- [David L. Yaussy](#)

● [America's Renewable Energy Set to Surpass Coal for the First Month Ever](#)

"The renewable energy sector is projected to generate more electricity than coal during the month of April, according to a recent report published by the Institute for Energy Economics and Financial Analysis."

Why this is important: Showing the pressure renewables are putting on the domestic steam coal market, in April, renewables produced more electricity than coal-fired generation. The report notes U.S. government statistics project renewable energy (hydro, biomass, wind, solar, and geothermal) will begin to exceed coal sporadically in 2019 and 2020. In 2010, coal generated 45 percent of U.S. electricity. That number fell to 28 percent in 2018 and is expected to drop to 24 percent in 2020. --- [Mark E. Heath](#)

● [Natural Gas is Gaining on Renewables; The Gap has Never Been Wider](#)

"Indeed, natural gas is gaining on renewables according to the latest data from the Energy Information Administration."

Why this is important: The fact is current renewable energy sources and the associated storage systems have not yet advanced to the extent they can replace fossil fuels and nuclear power either in volume or at an acceptable utility rate. Wind and solar currently exist due to state and federal subsidies that force the general public to prop them up - not only through increased utility rates - but also hidden costs in tax subsidies. Cheap shale gas is bridging the transition from fossil fuels to renewable sources and conservation while reducing emissions significantly and maintaining utility costs at an affordable level. To avoid severe economic hardship to both residents and industry, natural gas is the optimal energy source while renewables and conservation continue to develop. --- [William M. Herlihy](#)

● [The Carbon Tax Fantasy](#)

"Any American levy against our coal, oil, gas and transportation industries would do virtually nothing to reduce global carbon emissions."

Why this is important: The purpose of a carbon tax is to reduce fossil fuel usage. A meaningful carbon tax, to significantly reduce U.S. fossil fuel consumption, would, for the foreseeable future, result in a drastic change in the American way of life that the public likely would not accept. That's particularly true when the electorate learns its emissions decreases are being more than offset by emissions increases in the rest of the world. --- [David L. Yaussy](#)

● [Wyoming Governor Criticizes Consideration of Coal Plant Closures in State](#)

"Gov. Mark Gordon said he was 'deeply concerned' by Rocky Mountain Power's serious consideration of shuttering some coal-fired power plant units in Wyoming within four years."

Why this is important: Coal production in Wyoming continues to be stressed by the closing of western power plants that generate electricity from coal. PacifiCorp just announced it could close nine coal-fired electrical generation plants in Wyoming and Colorado with a \$12 million/year savings. Since 2012, natural gas has taken away 25 percent of the Powder River Basin production. Wyoming's governor is calling for research to remove carbon dioxide from the air and the state is working on plans to make it harder to close coal-fired electrical generation units. --- [Mark E. Heath](#)

● [U.S. Fracked Gas Imports to EU Could 'Take World Far Beyond Safe Climate Limits', Campaigners Warn](#)

"In an open letter to the EU Climate Commissioner Miguel Arias Cañete and U.S. Energy Secretary Rick Perry, campaigners warn that the continued use and import of fracked gas 'torpedoes critical climate targets and violates basic human rights'."

Why this is important: Efforts by environmental activists to tamp down on U.S. exports of LNG to Europe are completely misguided. The export of cheap LNG to Europe would help those economies moderate energy prices which have been forced to return to coal- and oil-fired power production due to the current high cost and reliability problems with renewables. Europe will purchase natural gas to supply its needs, but the question is whether they obtain it from Russia at very high prices and at a political cost, or the U.S. steps up and supports our European allies with cheap shale gas. This gas will burn in Europe. It's just a question of whether it is supplied from the U.S. or Russia and its associated countries. This is a very important reason the federal government should promote the establishment and permitting of more LNG export facilities on the East Coast to facilitate exports to Europe. --- [William M. Herlihy](#)

● [Why is China Placing a Global Bet on Coal?](#)

"The plants are significant investments at a time when most nations of the world, including China, have committed to fighting climate change."

Why this is important: China is building coal-burning power plants in developing countries because coal is plentiful and the coal

plant design is mature technology that is replicable anywhere. Developing nations are eager for the same reliable baseload electricity supplies that more advanced economies enjoy, and coal is one of the easiest ways to get there. For countries looking to develop, intermittent renewables like wind and solar will be adopted only after there is some reliable energy supply, provided by fossil fuels, nuclear or hydro, to level the load. --- [David L. Yaussy](#)

● [A U.S. Coal Miner Made More from Oil, Gas Royalties than Coal](#)

"Alliance Resource Partners LP, the biggest coal producer in the Illinois Basin, made most of its money in the first quarter from oil and natural gas royalties."

Why this is important: The biggest producer in the Illinois Basin has announced it made more money from oil and gas royalties than coal mining in the first quarter of 2019. Alliance Resource Partners, LP, earned almost \$172 million in oil and gas royalties in the first three months of 2019, which was 62 percent of its earnings. In its quarterly earnings call, Alliance sees pressure on steam coal exports and is currently reevaluating any expansion in the Illinois Basin. It also plans to invest more in oil and gas producing lands. --- [Mark E. Heath](#)

● [Arch Coal Takes 'Sober' View of Powder River Basin Coal's Future](#)

"Powder River Basin coal demand could fall between 1 to 3 percent per year, according to one of the basin's largest producers, Arch Coal."

Why this is important: Arch Coal is confirming what many have predicted - the continuing decline in coal production in the Powder River Basin. Arch announced its current margin on coal mined at its very large surface mines is \$1.20 a ton. That is resulting in operations focusing on better quality coal to be mined instead of lower quality coals at other mines. In recent years, Powder River production has declined 25 percent due to coal-fired electrical generation plants closing or switching to natural gas as a fuel source. --- [Mark E. Heath](#)

● [Methane Emissions Dropping Like a Rock in the Appalachian Basin](#)

"Methane emissions in the Appalachian Basin continue to decline to their lowest levels since 1992 even though natural gas production is up."

Why this is important: A frequent point of attack on the natural gas industry by certain state regulators and environmental groups is methane emissions from production and transportation operations. The really good news is that shale gas operators in the Appalachian Basin have dramatically increased the efficiency of their operations over the last few years to reduce greenhouse gas emissions while at the same time increasing production. The energy driver of cheap and environmentally friendly shale gas is a very positive development for local economies as well as residential and industrial consumers. --- [William M. Herlihy](#)

● [Paringa Delivers First Coal to Customers](#)

"A maiden shipment of approximately 1,500 tons was loaded into barges at Paringa's Ainsworth Dock on the Green River to cornerstone customer, Louisville Gas and Electric Company and Kentucky Utilities Company."

Why this is important: The first new mine in the Illinois Basin has shipped its first coal from its new underground coal mine. Paringa Resources Limited's Popular Grove mine is sold out for 2019 and has sold 70 percent of its production for 2020. The mine will sell its coal FOB at its barge dock on the Green River in western Kentucky. --- [Mark E. Heath](#)

● [EIA Energy Statistics](#)

Here is a round-up of the latest statistics concerning the energy industry.

[PETROLEUM](#)

[This Week in Petroleum](#)

Weekly Petroleum Status Report

NATURAL GAS

Short-Term Energy Outlook - Natural Gas

Natural Gas Weekly Update

Natural Gas Futures Prices

COAL

Short-Term Energy Outlook - Coal

Coal Markets

Weekly Coal Production

RENEWABLES

Short-Term Energy Outlook

Monthly Biodiesel Production Report

Monthly Densified Biomass Fuel Report

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